

Budget Work Session Fiscal Year 2015-2016

June 9, 2015

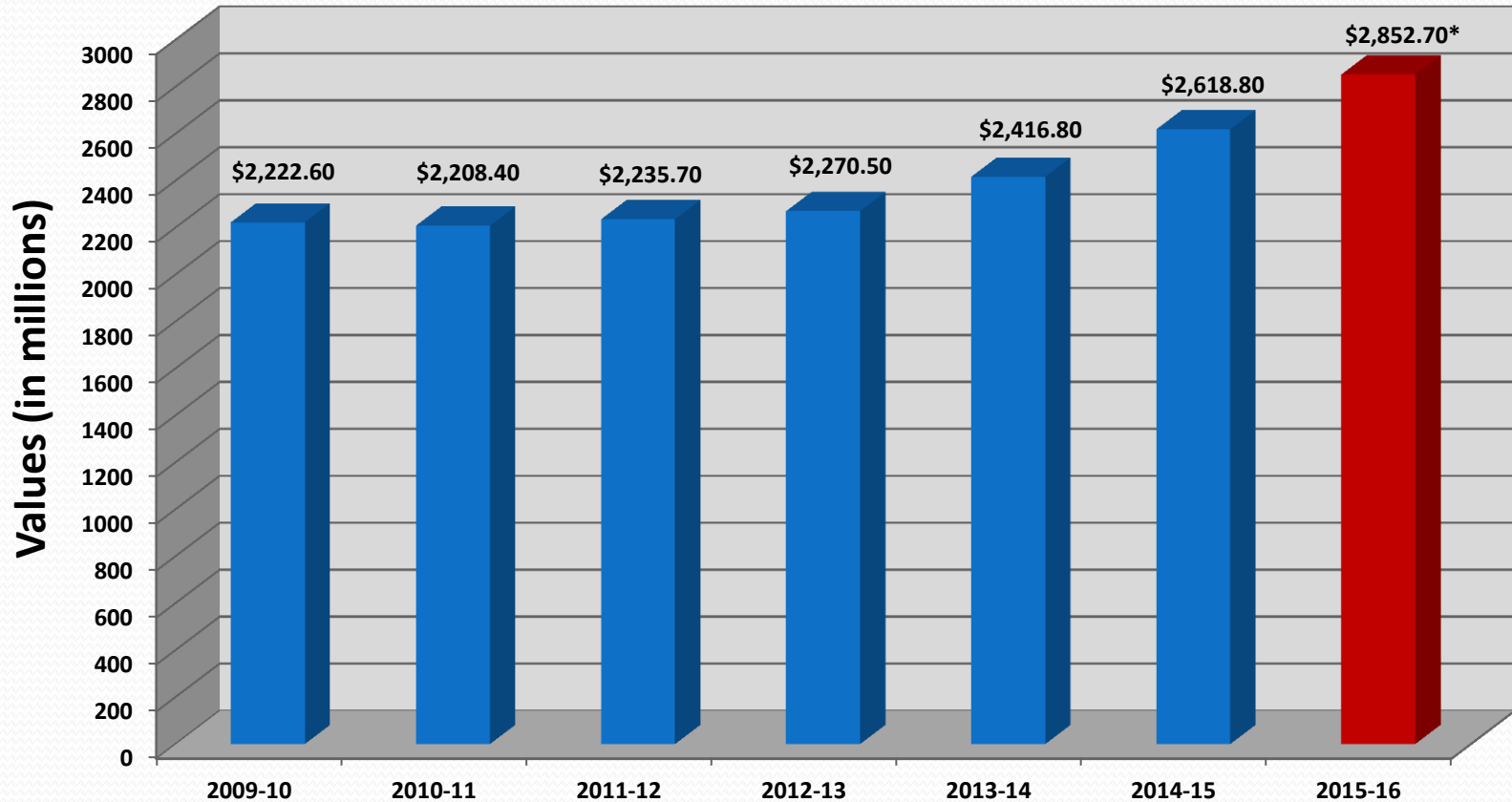
Budget Work Session Agenda

- Presentation of FY 2015-2016 Budget Workshop
- General Discussions

Assumptions Affecting FY 2015-2016 Budget

- Property Value is estimated to increase by 9% for budget purposes.
- Sales Tax is projected to increase 5% over revised FY 2015 estimates for FY 2016.
- Home Starts are projected to remain at 350.
- Estimated 10% increase in health insurance costs included.
- Public Safety FY 2015-2016 step increase included.
- Implementation of merit-based salary increases based on performance reviews beginning in FY 15-16 for non-public safety.
 - Average 3% salary increase for non-sworn personnel included.

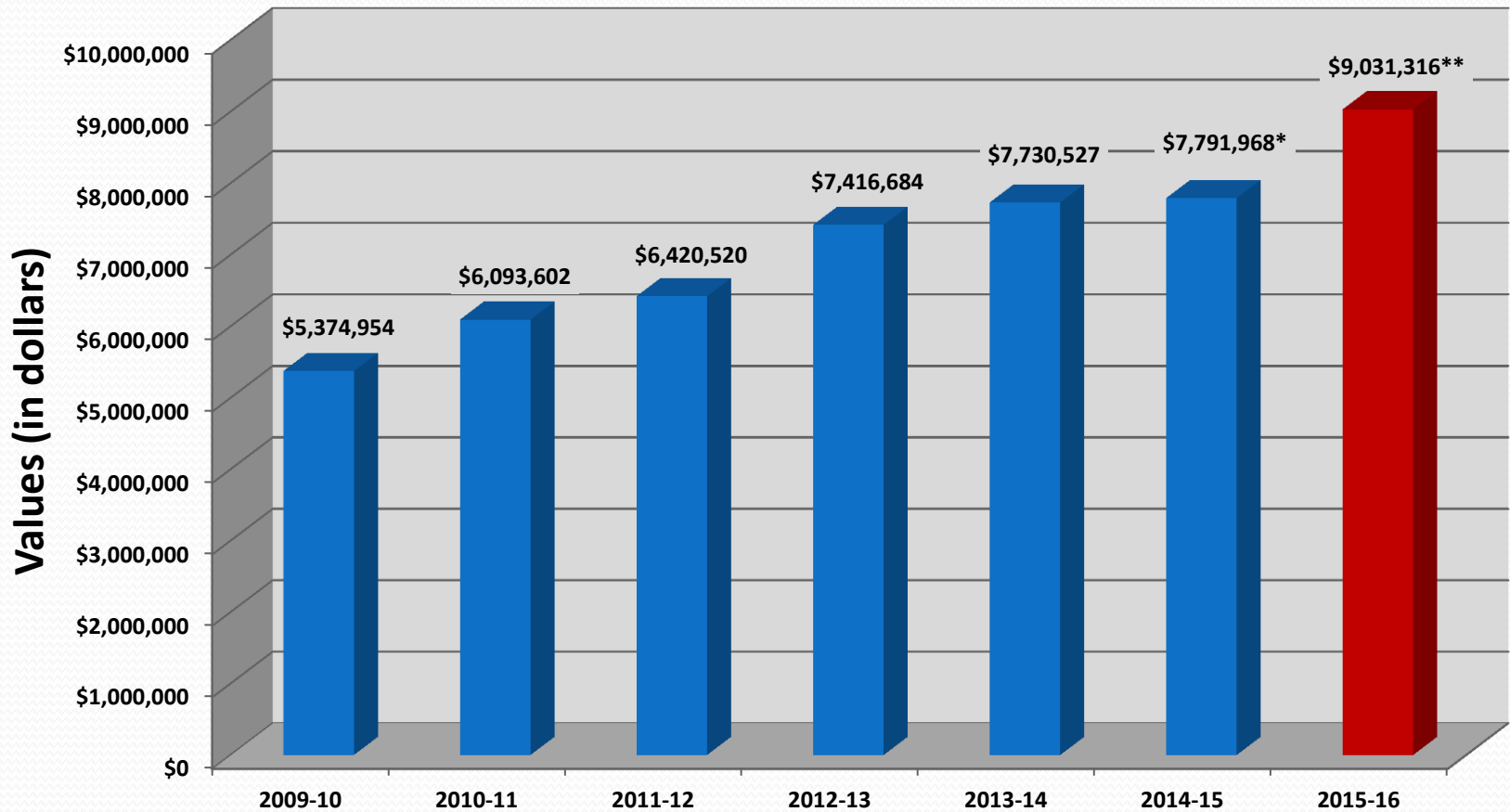
Assessed Property Valuations



Average Single Family Home Value for FY 2015-2016 is: \$189,040

* Certified preliminary assessed property valuation.

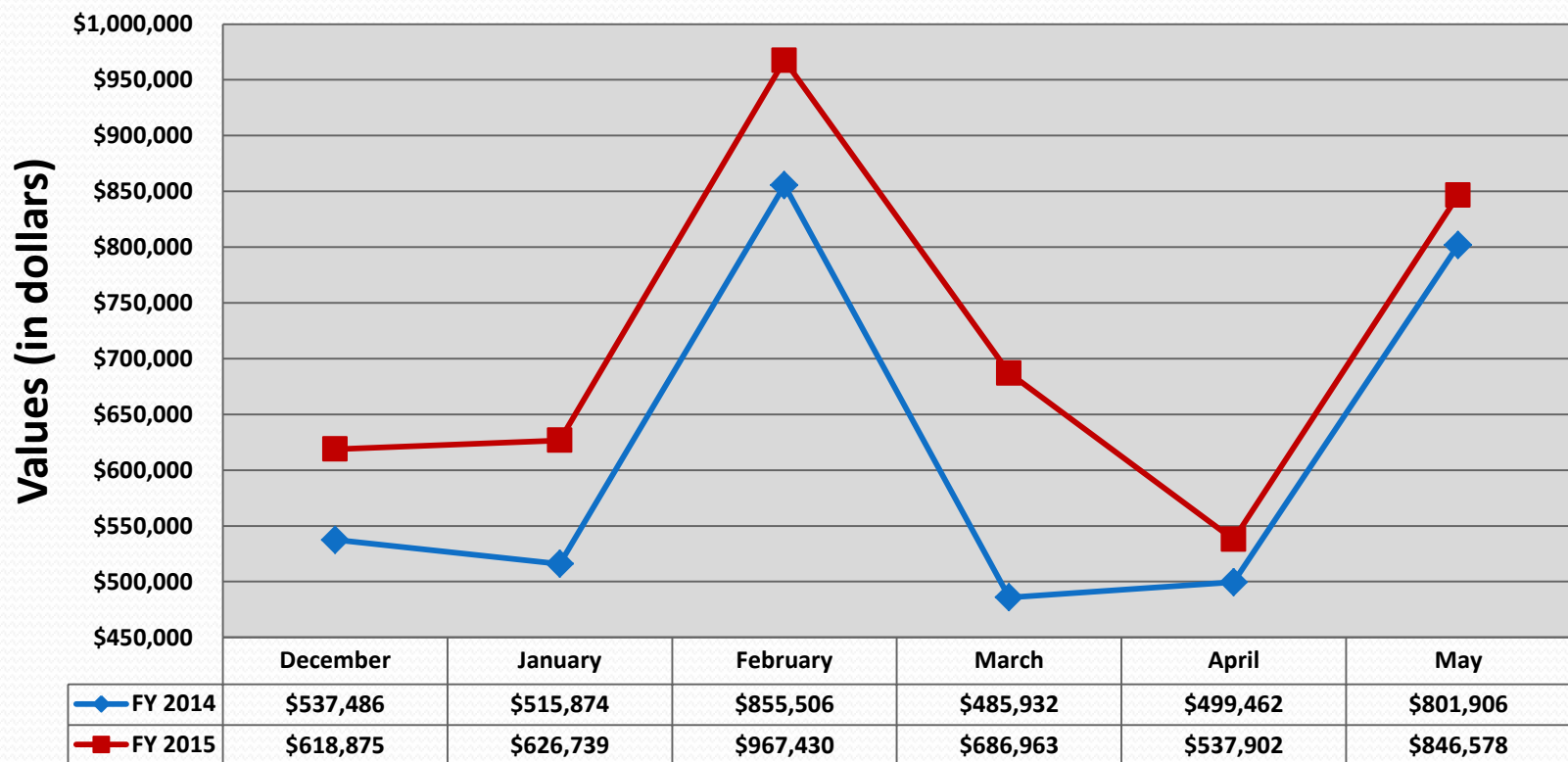
Total Annual Sales Tax Receipts



* Based on FY 2014-2015 budget

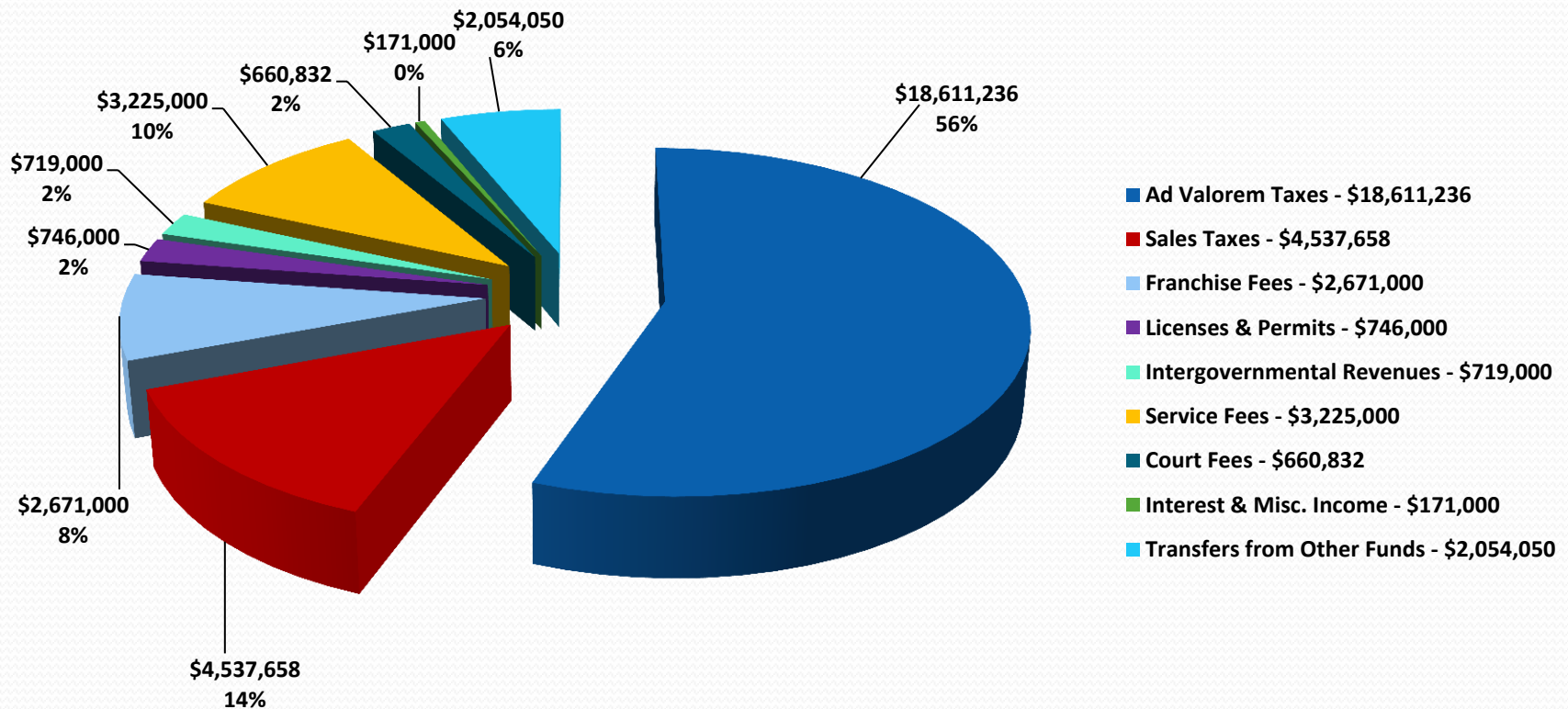
** Based on 5% increase over revised estimated FY 14-15 budget

Total Sales Tax Revenue Year-Over-Year Comparison



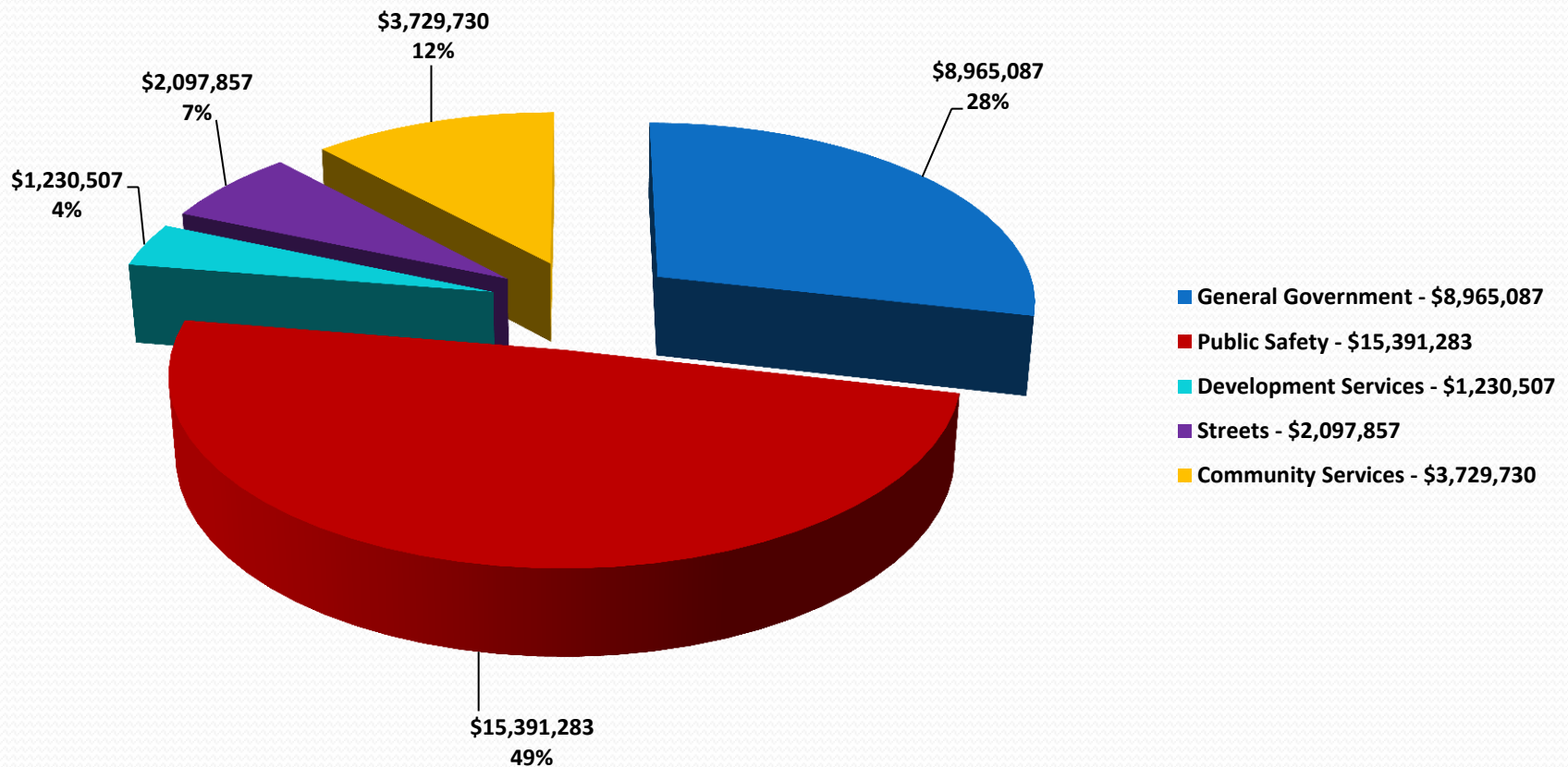
General Fund Projected Revenues

FY 2015-2016 - \$33,395,776



General Fund Expenditures By Function

FY 2015-2016 - \$31,414,464



General Fund Balance Excess FY 2015-2016

Revenue	\$33,395,776 (a)
Less Expenditures	\$31,414,464 (b)
	\$1,981,312

New FY 2016 Requests

Personnel Requests (35 positions) (incl. salary & benefits)	\$1,806,449
Equipment Associated with Personnel Requests	\$344,446
Non-Personnel	\$2,428,522
Additional Funding Needed	\$4,579,417

(a) Based on 9% increase in assessed values & current tax rate.

(b) Includes FY 2015-16 Step Increases for Public Safety.

Includes average 3% merit-based salary increase for non-sworn personnel (\$248k increase to GF).

Includes 10% estimated increase in health insurance (\$206k increase to GF).

General Fund Estimated Balance FY 2015-2016

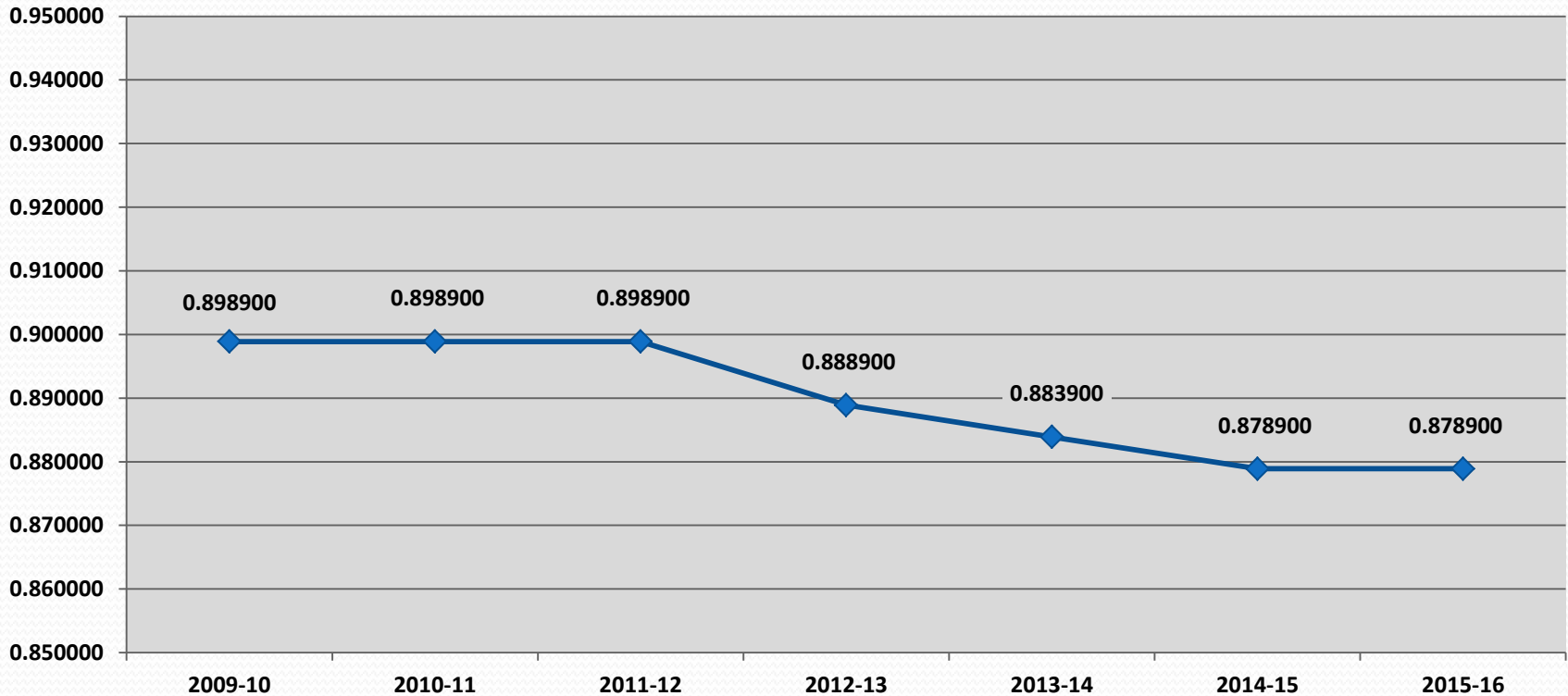
GF Fund Balance Estimate:

Required based on estimated exp. in 2016

Goal: 25%	\$8,348,944 (a)
Est. 09/30/2015	\$10,328,247
Est. 09/30/2016	\$10,128,247 (b)
Excess Fund Balance	\$1,779,303

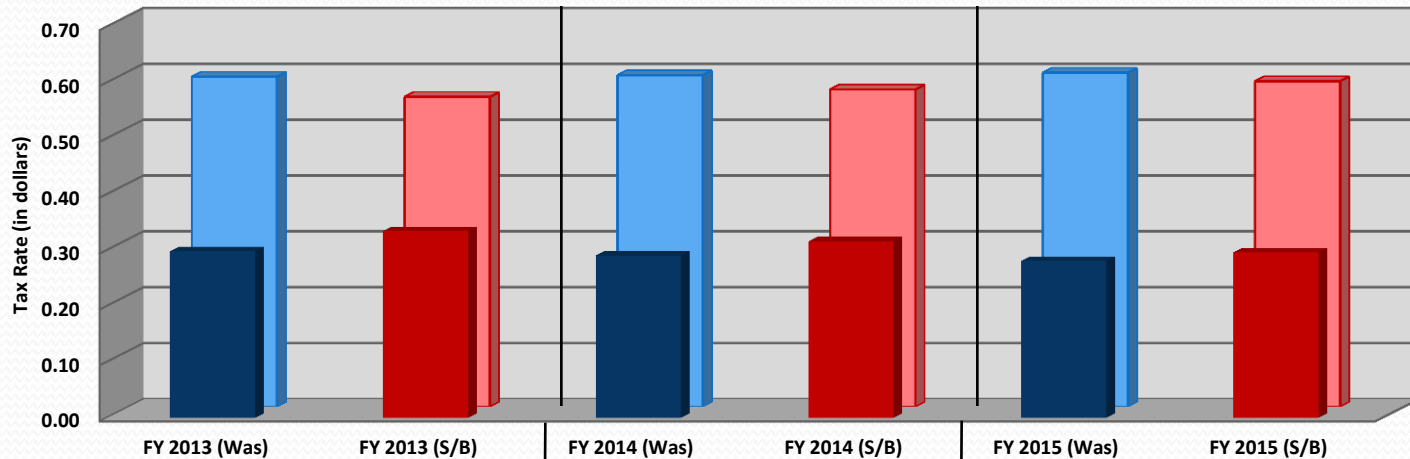
- (a) It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% of expenditures. The City considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will appropriate funds in future budgets to replenish the fund balance based on a time table deemed adequate by the City Council.
- (b) Based on balanced budget and use of \$200,000 for Debt Service. This Fund Balance is 30% of expenditures.

Tax Rate Information



* A ½ cent difference in tax rate equals \$142,700 in property tax revenue to the City & a \$9.45 difference in annual property taxes paid on a home with an average value of \$189,040.

Property Tax Rate Comparison (FY '13 – FY '15)



	FY 2013 (Was)	FY 2013 (S/B)	FY 2014 (Was)	FY 2014 (S/B)	FY 2015 (Was)	FY 2015 (S/B)
Debt Service Tax Rate (Was)	.29828		.290586		.280922	
General Fund Tax Rate (Was)	.59062		.593314		.597978	
Debt Service Tax Rate (S/B)		.334286		.315918		.296196
General Fund Tax Rate (S/B)		.554614		.567982		.582704

	FY 2013	FY 2014	FY 2015
Difference in Tax Rates:	.036006	.025332	.015274
Loss to General Fund (GF):	\$817,515	\$612,226	\$400,000
Additional Funds Provided for Debt Payments:	Debt Service FB: \$250,883 '08 Cert Ob: \$566,632	GF Fund Bal: \$400,000 Debt Service FB: \$212,226	GF Fund Bal: \$400,000

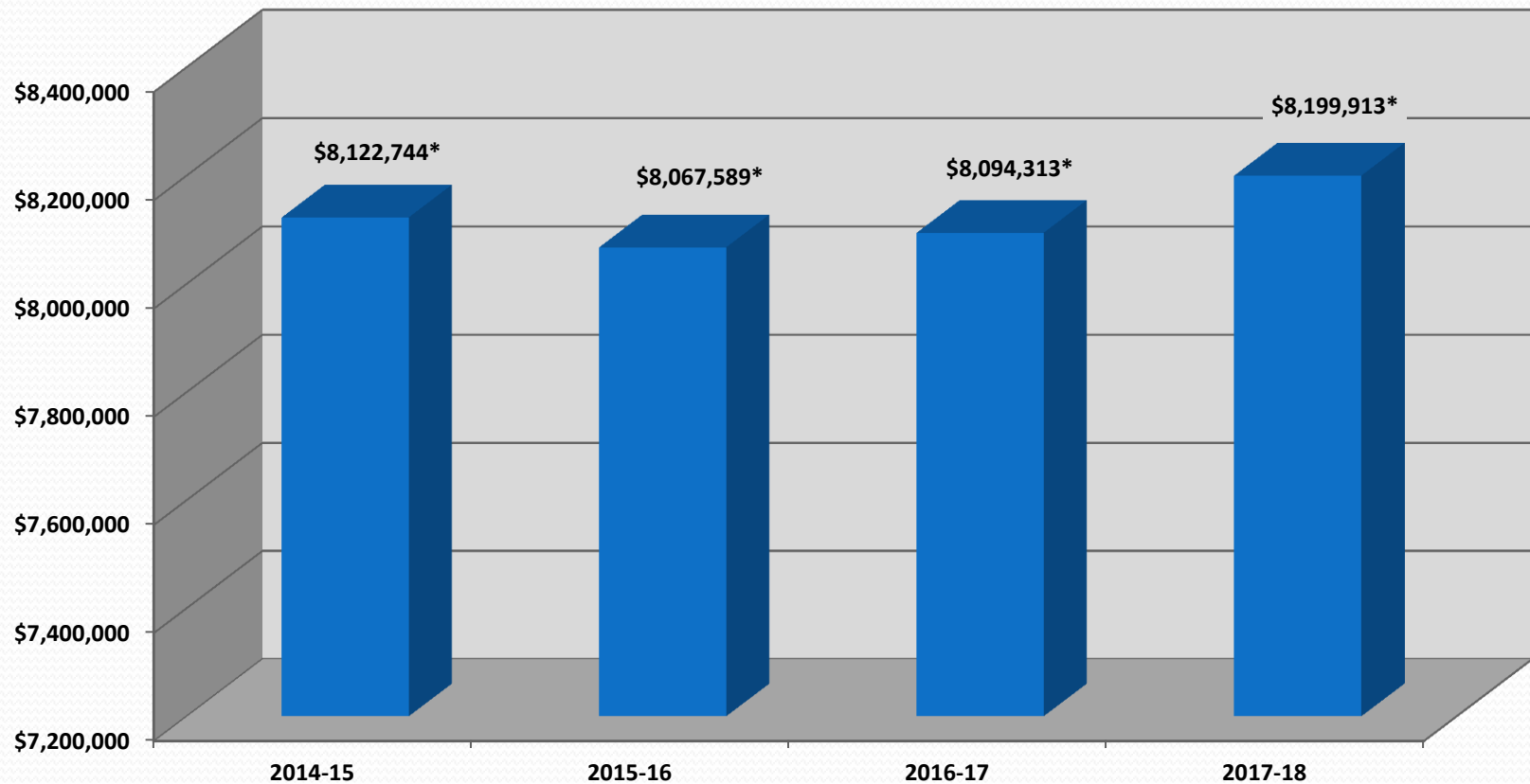
Funds to Contribute Toward Debt Service FY 2015-2016

Funds Provided for Debt Service:

Additional Use of General Fund Fund Balance to Lower DS Tax Rate	\$200,000 (a)
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- (a) Done in FY 2011, FY 2012, FY 2014 and FY 2015.
FY 2016 will be the final year for use of GF Fund Balance for Debt Service.

Debt Service Expenditures



* Based on current debt schedules with no additional debt issued.

FY 2015-2016 Recommended Key Budget Points

- No new requests included yet.
- Base budget does not include proposed additional funding for Debt Service which is from use of Fund Balance.
- Replacement vehicles, including Public Safety, are not currently included in the base budget.
- Funding is included for Public Safety step increases.
- Funding is included for average 3% increase for non-sworn personnel.
- Est. health insurance increase of 10% is included in base budget.

Questions?

City Manager

Mindy Manson

972-516-6018

mindy.manson@wylie texas.gov

Finance Director

Linda Bantz

972-516-6122

linda.bantz@wylie texas.gov